

Carriers attempt rate hikes for India-US cargo despite persistent market challenges

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Container lines on India-US trade have lined up a new round of rate increases for June even as market conditions remain increasingly challenging due to excess capacity.

From mid-June, rates are set to go up by US\$500 per container for Indian loads to the US East Coast and US\$1,200 per container to the US West Coast, on average.

The upcoming rate hike plans include peak season surcharges (PSSs) of US\$500 per container by CMA CGM and Hapag-Lloyd for shipments to the US East and Gulf coasts. Hapag-Lloyd has also announced a PSS levy of US\$1,000 per container to the US West Coast.

Mediterranean Shipping (MSC) will attempt a general rate increase (GRI) of US\$1,200 per container for Indian cargo moving to the US West Coast and Canada.

Similarly, Maersk has issued a trade notice announcing peak season surcharges for bookings ex-India to the US and Canada. The carrier's PSS amounts for all types of cargo will be US\$560 per 20-foot container, US\$600 per 40-foot container and US\$760 per 45-foot container.

However, industry sources believe that carriers have little chance of pushing rates higher on India-USEC services with more capacity added to the trade lane from this month.

At the same time, vessel bookings to the US west coast are currently full and, as such, carriers stand a better chance of tasting success with rate hike plans, if not at the full or announced levels.

Average spot rates from West India to USWC have moved higher in the last few weeks, according to market sources.

Meanwhile, rates from India to Europe have been somewhat steady through May, as carriers have had schedule disruptions.

MSC continues to build its transshipment activity at Mundra Port, the Adani Group's flagship cargo gateway. The private port earlier this week saw a call from the 19,200-TEU MSC Anna, said to be the largest containership ever to have docked at any Indian port.

"This achievement marks a significant milestone for both the port and the country's maritime industry," Adani Ports said in a statement.

DP World Cochin, also known as Vallarpadam Transshipment Terminal in southern India, has also had a record-breaking call from the MSC Mara, which has a nominal capacity of about 16,000 TEUs.

"The berthing of MSC Mara reflects the terminal's increasingly pivotal role as a preferred gateway and burgeoning transshipment terminal for cargo movement to and from markets in south India," DP World Cochin said.

The terminal also noted: "DP World Cochin's strategic geographic proximity to major maritime sea routes makes it the natural gateway to the vast industrial and agricultural markets of South and West India."

Jenny Daniel

Global Correspondent